

**CITY OF SHOREVIEW
MINUTES
REGULAR CITY COUNCIL MEETING
March 7, 2016**

CALL TO ORDER

Mayor Martin called the regular meeting of the Shoreview City Council to order at 7:00 p.m. on March 7, 2016.

PLEDGE OF ALLEGIANCE

The meeting opened with the Pledge of Allegiance.

ROLL CALL

The following members were present: Mayor Martin; Councilmembers Johnson, Quigley, Springhorn and Wickstrom.

Acting City Manager Tom Simonson was present.

APPROVAL OF AGENDA

MOTION: by Councilmember Wickstrom, seconded by Councilmember Springhorn to approve the March 7, 2016 agenda as submitted.

VOTE: Ayes - 5 Nays - 0

PROCLAMATIONS AND RECOGNITIONS

Mayor Martin welcomed Cub Scout Pack No. 407 from Island Lake School. Members are attending the meeting as part of their study of government.

Recognition of Cameron Johnson, Eagle Scout

Mayor Martin presented Cameron with a plaque of recognition on behalf of the City. Cameron described his project as building an 8' x 8' mobile structure for use by the *Slice of Shoreview* annually at Island Lake Park as an information booth. He stated that the project taught him both construction and architecture skills. He thanked the Shoreview Rotary and local Shoreview businesses Mansetti's and Panino's who helped him raise money for the project. He also thanked his family for their support.

CITIZEN COMMENTS

There were none.

COUNCIL COMMENTS**Councilmember Wickstrom:**

The Build-A-Burger event for March has been cancelled due to renovations of the kitchen at the VFW in White Bear Lake. The next one will be April 11, 2016, at 5:00 p.m.

The next Environmental Quality Committee (EQC) speaker series will be a presentation by City Public Works Director Mark Maloney on “Shoreview’s Innovative Responses to Infrastructure Challenges.” The presentation will be March 16, 2016, at 7:00 p.m. in the Shoreview City Council Chambers.

Councilmember Springhorn:

Saturday, March 19, 2016 will be the Shoreview Egg Hunt at 11:00 a.m. at the Community Center. Space is limited and registration is required. Residents can register on the City’s website.

Councilmember Quigley:

Noted the article by the Safewise organization in the *Shoreview Press*. Shoreview is ranked as the 12th safest city in Minnesota, which is up from its previous ranking of 16th. That ranking is among over 100 cities in Minnesota with a population over 5,000.

Councilmember Johnson:

With the nice weather, there is a great increase in the use of area parks. Drivers are reminded to watch speed and be aware that there are many little ones on bikes and more pedestrians on the roads.

CONSENT AGENDA

Councilmember Johnson requested that item No. 2 be considered separately, as she did not attend the meeting for those minutes.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Springhorn to adopt the Consent Agenda for March 7, 2016, as presented and all relevant resolutions for items Nos. 1 through 12 with the exception of No. 2:

1. February 8, 2016 City Council Workshop Meeting Minutes
3. Receipt of Committee/Commission Minutes:
 - Planning Commission, January 26, 2016
 - Parks and Recreation Commission, January 28, 2016
 - Environmental Quality Committee, February 22, 2016
 - Economic Development Commission, February 23, 2016
4. Verified Claims in the Amount of \$1,276,344.92
5. Purchases
6. License Applications
7. Developer Escrow Reductions
8. Approval of Street Sweeping Agreements for 2016

9. Authorization for Replacement of Sewer Rodding Equipment with Sewer Inspection Equipment
10. Final Plat and Final PUD - Sidal Realty/Kowalski's, 441 Highway 96
11. Acceptance of Gifts - Taste of Shoreview
12. Approve Plans and Specifications and Call for Taking of Bids - I-694 Water Main Relocation, CP 15-10

VOTE: Ayes - 5 Nays - 0

2. Approval of February 16, 2016 City Council Meeting Minutes

Motion: by Councilmember Wickstrom, seconded by Councilmember Quigley to approve the February 16, 2016 City Council Meeting Minutes as submitted.

VOTE: Ayes - 4 Nays - 0 Abstain - 1 (Johnson)

PUBLIC HEARINGS

ITEMS RELATED TO 2016 STREET RECONSTRUCTION PROJECTS

- A. **PUBLIC HEARING AND AUTHORIZATION TO PREPARE PLANS AND SPECIFICATIONS - VIRGINIA/DENNISON/LILAC RECONSTRUCTION, CP16-01**
- B. **PUBLIC HEARING AND AUTHORIZATION TO PREPARE PLANS AND SPECIFICATIONS - GRAND AVENUE RECONSTRUCTION AND EXTENSION, CP 16-02**

Presentation by City Engineer Thomas Wesolowski

The Virginia/Dennison/Lilac project is to reconstruct: 1) Virginia Avenue from Snail Lake Boulevard south to Colleen Avenue and Dawn Avenue to Dennison Avenue; 2) reconstruct Dennison Avenue from Hodgson Road to Virginia Avenue; and 3) reconstruct Lilac Lane from Hodgson Road to Dennison Avenue.

The Grand Avenue reconstruction is from Soo Street to Janice Avenue. The City Council received the feasibility reports for both projects at its February 21, 2016 meeting. The feasibility study described: 1) existing conditions; 2) proposed improvements; 3) estimated project cost; 4) funding sources and assessments; and 5) conclusions and recommendations.

The project work includes:

- Reconstruct Virginia Avenue to a 32-foot wide roadway with surmountable style curb to match the curb already installed between Colleen and Dawn Avenues.
- Reconstruct Dennison and Lilac to 29-foot roadways with surmountable curb to match the existing width.
- Replace the existing cast iron pipe water main on Virginia, Dennison and Lilac, including replacing services and curb stops to property lines.
- Extend water services to the four properties not currently served.
- Install clean-outs on sanitary pipe to allow City inspection.

- Storm water infrastructure for Virginia, Colleen, Dennison and Lilac includes catch basins and underground infiltration chambers with overflow to the existing outlet to Snail Lake Park.
- Reconstruct Grand Avenue to 24 feet wide from face of curb to face of curb. Grand Avenue will be extended approximately 600 feet west to connect to Centre Street and Janice Avenue. The curb will be barrier style. Parking will be allowed on one side of the street.
- Install catch basins and underground infiltration chambers on the east end of Grand Avenue
- The west end of Grand will be a pervious pavement section with overflow to Lake Wabasso.
- Storm water infrastructure is designed to meet the standards of the permit requirements of the Ramsey/Washington Metro Watershed District.
- Street lights will be replaced with aluminum poles, LED cobra style fixtures and underground power.
- A trail is included from the west end of Grand Avenue to Owasso Boulevard North.

Two residential meetings were held for each project. The meetings were well attended and overall reactions were positive. Concerns that were expressed related to storm water runoff.

Virginia/Dennison/Lilac Estimated project cost:

Street	\$ 703,000
Water main	\$ 428,000
Sanitary Sewer	\$ 28,000
Storm sewer	\$ 339,000
Street lights	<u>\$ 80,000</u>
Total Estimated Cost:	\$1,578,000

Grand Avenue Estimated Project Costs:

Street	\$ 351,500
Water main	\$ 3,000
Sanitary Sewer	\$ 1,500
Storm Sewer	\$ 185,000
Street lights	<u>\$ 40,000</u>
Total Estimated Cost:	\$ 594,500

Total Combined Project Cost: \$2,172,500

Virginia/Dennison/Lilac Assessments:

The estimated assessments of \$147,000 are less than 7% of the total estimated project cost.

Street assessment	\$1,584/lot
Storm sewer assessment	\$1,120/lot (maximum, depends on lot size)
Water assessment*	\$5,800/lot - 4 lots on Virginia
Total possible estimated assessment with no water:	\$2,704/lot (10-year pay back)
Total possible estimated assessment with water:	\$8,504/lot (15-year pay back)

Colleen Avenue Assessments:

Upgrade of storm water infrastructure to City standards: \$560/lot (maximum) depends on size

Grand Avenue Assessments:

Street	\$1,600/lot
Storm sewer	\$1,200 (maximum) depends on lot size
Total Estimated Assessments:	\$2,720/lot (10-year pay back)

City Financing for Virginia/Dennison/Lilac:

Street Renewal Fund	\$644,392
Water Fund	\$405,300
Sanitary Sewer Fund	\$ 27,500
Surface Water Fund	\$297,570
Street Light Utility Fund	\$ 80,000
Assessments	\$123,238

City Financing for Grand Avenue:

Street Renewal Fund	\$254,500
Water Fund	\$ 3,000
Sanitary Sewer Fund	\$ 1,500
Surface Water Fund	\$149,213
Street Light Utility Fund	\$ 34,000
Community Investment Fund	\$ 13,500/for trail
Assessments	\$ 23,787
Developer payments	\$115,000

Estimated project schedule:

March 21, 2016	Approve plans and specifications
April 21, 2016	Bid opening for project
May 2, 2016	Council award contract
May/June 2016	Construction starts
September/October	Construction complete
September 2017	Assessment Hearing

City Attorney Kelly stated that proper notice has been given for both public hearings for the two projects.

Mayor Martin opened the public hearing for the Virginia/Dennison/Lilac project. There were no questions or public comments.

MOTION: by Councilmember Quigley, seconded by Councilmember Wickstrom to close the public hearing at 7:30 p.m.

VOTE: Ayes - 5 Nays - 0

Mayor Martin opened the public hearing for the Grand Avenue project. There were no questions or public comments.

MOTION: by Councilmember Wickstrom, seconded by councilmember Quigley to close the public hearing 7:31 p.m.

VOTE: Ayes - 5 Nays - 0

Councilmember Wickstrom expressed her appreciation for the trail included in the Grand Avenue project. She noted the favorable assessment policy of Shoreview where the City pays the larger share of cost paid rather than residents.

Mayor Martin added that the City is paying approximately 93% of these projects.

MOTION: by Councilmember Johnson, seconded by Councilmember Springhorn to adopt Resolution No. 16-11 directing the preparation of plans and specifications and ordering the improvements for the Virginia, Dennison, Lilac Road Reconstruction and Grand Avenue Road Reconstruction and Extension, City Projects 16-01 and 16-02.

ROLL CALL: Ayes: Johnson, Quigley, Springhorn, Wickstrom, Martin

Nays: None

Mr. Wesolowski stated that the City's website will post updated information on the projects, as well as send informational newsletters to residents.

PUBLIC HEARING - PROPOSED ECONOMIC DEVELOPMENT ASSISTANCE (BUSINESS SUBSIDY) TO KOWALSKI'S RE SHOREVIEW, INC. FOR RENOVATION AND REHABILITATION OF PROPERTY LOCATED AT 441 HIGHWAY 96 AND AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT

City Attorney Kelly stated that proper notice has been given for the public hearing.

Acting City Manager Tom Simonson stated that the proposed City assistance is the final approval needed for Kowalski's to acquire the Rainbow Foods property at 441 Highway 96. The project includes a new Kowalski's Market with full grocery offerings, a wine shop, Starbucks, and a Crocus Hill store. Kowalski's will also consolidate bakery, kitchen and catering operations in this building. The building will be completely renovated on the interior and will include a new facade. Parking lot upgrades are included along with new lighting, landscaping and signage. A free left-turn lane access from Highway 96 will be constructed. A separate retail parcel will be created and developed independently.

Kowalski's investment is over \$15 million in the land purchase and upgrades. The City has agreed to assist with public financing: 1) a cash contribution of \$1.1 million from existing tax increment funding resources upon project completion; and 2) pay for and construct the left-turn lane improvement on Highway 96, estimated at \$150,000 to \$200,000. The left turn lane will be completed before the store opens. No new tax increment financing district or future tax abatement will be provided. This project will transform a key commercial property that has been vacant for 18 months. It will provide a significant increase to the City's tax base, as well as provide employment opportunities and retail services.

The Economic Development Authority (EDA) has reviewed the project financing and voted unanimously to support and recommend approval by the City Council.

Mayor Martin opened the public hearing regarding the financial subsidy. There were no questions or public comments.

MOTION: by Councilmember Springhorn, seconded by Councilmember Quigley to close the public hearing at 7:40 p.m.

VOTE: Ayes - 5 Nays - 0

Mr. Mike Oase, Vice President Operations of Kowalski's, expressed his appreciation to the City and stated that Kowalski's is looking forward to being a part of Shoreview.

MOTION: by Councilmember Springhorn, seconded by Councilmember Wickstrom to adopt Resolution No. 16-16, approving a business subsidy to Kowalski's RE-Shoreview, Inc. in accordance with the terms and conditions outlined in the Development Agreement; and further authorizing the Mayor and City Manager to sign and execute said Development Agreement. The business subsidy is to support the complete renovation of the vacant Rainbow Foods property and significant private reinvestment that will bring a new Kowalski's Market and associated business operations providing jobs, tax base and services to the community.

Discussion:

Mr. Simonson noted that Kowalski's plans to begin work this spring and open before Thanksgiving.

ROLL CALL: Ayes: Quigley, Springhorn, Wickstrom, Johnson, Martin
Nays: None

PUBLIC HEARING - VACATION FINAL PLAT - DON ZIBELL, 3422 CHANDLER ROAD

Mayor Martin stated that she will facilitate discussion of this item but will recuse herself from voting, as the proposal is adjacent to her property.

Presentation by City Planner Kathleen Castle

The Final Plat divides the property into 8 lots for single-family residential development. As part of the Final Plat, vacation is requested of a public drainage and utility easement. Dedicated drainage and storm water management easements will be along lot lines. The easement for public drainage to be vacated was part of the Wabasso Shores Plat. The Final Plat and vacation are consistent with the previous preliminary plat approval. Staff is recommending approval with conditions that include protection of trees and landscaping; and require removal of the existing garage within 16 months.

City Attorney Kelly stated that proper notice has been given for the public hearing.

Mayor Martin opened the public hearing for the easement vacation. There were no questions or public comments.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Springhorn to close the public hearing at 7:46 p.m.

VOTE: Ayes - 5 Nays - 0

MOTION: by Councilmember Johnson, seconded by Councilmember Springhorn to adopt Resolution 16-9, approving the Vacation request, submitted by Donald and Luella Zibell, vacating the interest of the public in certain public drainage and utility easements located in the plat of Wabasso Shores, subject to the following:

1. Approval of the Final Plat, Wabasso Bay, by the City Council.
2. Resolution 16-9 approving the vacation request shall be recorded with Ramsey County prior to the City endorsing the final plat.

This approval is based on the following finding:

- 1.
2. The drainage and utility easement proposed for vacation no longer serves the need of the public.

ROLL CALL: Ayes: Springhorn, Wickstrom, Johnson, Quigley
Nays: None
Abstain: Martin

MOTION: by Councilmember Springhorn, seconded by Councilmember Wickstrom to authorize execution of the Site Development Agreement, and to approve the Final Plat, Wabasso Bay, submitted by Donald Zibell to subdivide the property at 3422 Chandler Road into 8 single-family residential lots, subject to the following:

1. A public use dedication fee shall be submitted as required by ordinance prior to release of the Final Plat by the City.
2. The Final Plat shall include drainage and utility easements along the property lines and over infrastructure as required. Drainage and utility easements along roadways, and the front and rear lot lines shall be 10 feet wide, and along the side lot line easements shall be 5 feet wide, and as required by the Public Works Director.
3. The applicant is required to enter into a Site Development Agreement and Erosion Control Agreement with the City, including the submittal of the financial sureties. Said agreements shall be executed prior to the release of the Final Plat.
4. Trees on the property, which are to remain, shall be protected with construction fencing placed at the tree drip lines prior to grading and excavating.
5. The landscape plan shall be revised to increase the conifers shown along the rear lot lines of Lots 6, 7, and 8 to provide screening and buffering, with approval by the City Planner prior to release of the Final Plat.

6. The existing detached garage on proposed Lot 6 may be retained for the continued personal use of the applicant for a period of 16 (sixteen) months from the date of approval, provided Lots 5 and 6 remain in common ownership. This retention period will expire September 6, 2017. A cash surety shall be deposited with the City to insure removal of the detached garage, and retention is subject to terms specified in the Development Agreement.
7. Site work shall not commence prior to the applicant obtaining the required Ramsey Washington Metro Watershed District approval and permit.

This approval is based on the following findings of fact:

1. The proposal supports the policies in the City's Comprehensive Plan relating to land use and housing.
2. The subdivision complies with the City's development code standards for plats and single-family residential development.
3. The proposed low density residential use will not adversely impact the planned land use of the surrounding property.
4. The Final Plat is consistent with the previous Preliminary Plat approval.

ROLL CALL: Ayes: Wickstrom, Johnson, Quigley, Springhorn
 Nays: None
 Abstain: Martin

GENERAL BUSINESS

COMPREHENSIVE PLAN AMENDMENT*, REZONING*, PRELIMINARY PLAT, PLANNED UNIT DEVELOPMENT-DEVELOPMENT STAGE* - ELEVAGE DEVELOPMENT GROUP, LLC, 157 COUNTY ROAD E, 185 COUNTY ROAD E, 3500 RUSTIC PLACE, 3521 RICE STREET

Presentation by City Planner Kathleen Castle

On January 26, 2016, the Planning Commission held a public hearing for this application. At that meeting, the matter was tabled and the review period for the application was extended to May 12, 2016. Elevage Development Group (Elevage) was asked to address issues regarding parking, building height, visual impact, development intensity and density.

As a result of concerns expressed at the January Planning Commission meeting, the plan was changed to increase underground and surface parking and increase parking for the townhomes. Additional landscaping was added along the north lot line. The structure setback for the townhomes was increased. A second access was provided off Rustic Place to provide a better emergency vehicle access. The elevation of the ground floor of the townhome garages was reduced one foot to address visual impact to the residential neighborhood to the north. An emergency only lane was added off Rice Street.

On February 23, 2016, the Planning Commission reviewed revised plans and took public testimony. The Planning commission recommended the proposal be forwarded to the City Council for approval on a vote of 5 to 0.

The site consists of 4.2 acres with existing improvements of three single-family homes and a commercial shopping center of 34,887 square feet. Adjacent land uses include low density residential and commercial. The City of Vadnais Heights is immediately to the east. The proposal is a mixed use building for 134 market rate apartments and 6,800 square feet of commercial space on the first floor. Surface and underground parking are provided. Also, 14 townhomes are proposed in two buildings with access off County Road E and Rustic Place. Deviations from code requirements are requested through PUD zoning that relate to parking, structure setbacks and building height.

The preliminary plat would combine four tax parcels into two parcels. Lot 1 would be for the townhomes and Lot 2 for the Mixed Use building. The plat presented is consistent with subdivision standards.

There are 274 off-street parking stalls provided: 79 surface parking stalls and 195 underground parking stalls. There are 233 parking stalls allocated to residential use and 41 stalls allocated to commercial use. The City's Development code requires 373 parking stalls. The developer indicates that there will be shared parking between the residential and commercial uses, and there is room for additional parking if needed. Proof of parking stalls are not counted in parking ratio of 1.7 stalls per unit. City Code requires 2.5 stalls. Elevage has provided information to show that the proposed parking ratio is sufficient based on industry trends, the unit mix and the demographic market. Parking needs are based on the bedroom count of the units to be built. Staff found in a comparison with other cities that the ratio of 2.5 required in Shoreview is high. Similar mixed use developments in other communities have parking ratios of approximately 1.7. The townhomes will be located on Lot 1. Ten surface parking stalls were added to address guest parking.

The mixed use building is five stories, a height of 55 feet with a flat roof. Code allows the height to be above the required 35 feet if firefighting capabilities of the Fire Department are not exceeded; and if an additional foot of setback is provided for every foot of height over 35 feet. The required setback from the north lot line is 50 feet; 78.2 feet is proposed, which exceeds Code requirements. Deviations are requested for the required setbacks from Rice Street, County Road E and the new lot line for Lot 1. The required setback from Rice Street is 60 feet; 41 feet is proposed. The required setback from County Road E is 50 feet; 32 feet is proposed. The rear property line to the west requires a setback of 50 feet; 14 feet is proposed. The townhome setbacks required are 30 feet from County Road E, 30 feet from Rustic Place and 10 feet from the east lot line. The proposed setbacks are 32.4 feet from County Road E, 25.4 feet from Rustic Place, 23 feet from the east lot line and 75.6 feet from the north property line. A landscaping buffer is planned along the north lot line to screen the development from the residential properties to the north. Staff finds that reduced setbacks adjacent to the roadways will not impact adjoining land uses.

Visual impact is mitigated with a flat roof design and placement of the mixed use building at the southeast corner of the site. Green space and landscaping is shown as a buffer to the single-family homes to the north. Shadow cast will cross the north property line during the winter months, but there is no shadow cast during the majority of daylight hours. City regulations do not address shadow cast caused by development.

The current land use designation in the Comprehensive Plan for this property is C, Commercial and O, Office. This property is also located in Policy Development Area (PDA #18, Rice Street Crossings).

An amendment is needed to change the land use to Mixed Use, MU. The density of 45 units per acre is allowed in Mixed Use; 36.6 units per acre are proposed.

The property at 157 County Road E is zoned C2, Commercial; the proposal is for Mixed Use (MU). The property at 185 County Road E, 3521 Rice Street and 3500 Rustic Place are zoned R1, Detached Residential. The proposed zoning is Planned Unit Development (PUD).

Public comments have been taken by the Planning Commission. Continued concerns are being expressed by residents regarding land use compatibility, density, public safety, traffic, visual impact, market viability, architectural design/scale and environmental impacts.

Staff supports the development proposal and finds that it is consistent with the City's planning studies and will provide needed housing opportunities. The mixture of uses proposed will serve as a transition between the arterial road network of I-694 and commercial land uses to the single-family residential neighborhood. The site design mitigates impacts through building placement, green/open spaces and landscaping. Staff is recommending Council approval of the applications.

Planning Commissioner Steve Solomonson stated that the Planning Commission considered this proposal three times. He noted that the plan presented at the Concept Stage was a very different design that was not supported by the Planning Commission. In response, the developer added the townhomes and moved the Mixed Use building away from the residential neighborhood to the north. The Planning Commission sees this proposal as a good transition from residential to a busy commercial corridor. It also replaces a blighted area. The changes made to parking addressed the concerns of the Commission. Commissioners noted a need for a trail connection to other trails and parks in the City.

Mr. Mike Mergens, Co-Owner Elevage Development Group; and **Mr. Aaron Roseth**, ESG Architects, were present. **Mr. Mergens** stated that a lot of time was spent reading the City's Comprehensive Plan to understand what could be developed on this site. The revisions that have been made meet long-term City goals and mitigate impacts for the short term while keeping core components for the development to be viable.

Mr. Roseth highlighted key design features of the proposal. Density is not at the maximum allowed. The mixed use building has been pulled back to hug the corner of Rice Street and County Road E. The site now has a network of sidewalks throughout that can be linked in any direction to other trails. The porches on the townhomes and the porch features on the ground level of the mixed use building create interaction with the sidewalk connections and neighbors. There will be benches and a possible dog park. The specific target market is for those who fit a high rent profile.

Councilmember Wickstrom stated that the brick exterior is a big improvement. She referenced a letter from Elevage, dated February 10, 2016. On page 3, it states, "Under Minnesota statutes for the metropolitan area, the comp plan guiding controls over the zoning in the case of any conflict. Legally, that means any property owner of the two residential homes along County Road E are entitled to have those homes rezoned to C2." She asked if that also means the property to the north. **Mr. Mergens** responded that the property to the north is not guided to commercial as are the two properties to the west. Councilmember Wickstrom clarified that the two properties can be rezoned to commercial at the request of Elevage because they own them. **Mr. Mergens** answered that is correct. Councilmember

Wickstrom stated that if this project does not move forward, then the property would be commercial and any commercial land use that fits City code could be developed on that property. **Mr. Mergens** acknowledged that to be true, but stated that Elevage is committed to the proposed project as the right plan for this property.

Councilmember Johnson asked about the dog park and whether residents on Rustic Place would be able to use it. **Mr. Roseth** stated that it is an amenity they would like to integrate into the project. **Mr. Mergens** added that there is no intent of keeping public areas, green spaces and sidewalks exclusive. However, as privately owned property, the right is reserved to ask anyone to leave who is not behaving appropriately.

Councilmember Springhorn stated that he does not want to belabor the point but there are other similar developments that are economically viable with four stories. He would like to know the reason this building cannot be lowered to four stories. **Mr. Mergens** explained that modern apartment buildings are much different than old apartment buildings. New apartments are amenity rich with higher costs. He analyzed all suburban apartment buildings built in the last two years to make sure this proposal is competitive. This project has a high land cost because of the premium price for the adjacent residential property. Then there is the added cost of converting that property to mixed use. This project has a lot of open/green space which also costs money. The cost and revenues generated have to be justified to investors. The finances would not work if the number of units were reduced further. If the building were lowered to four stories, it would be pushed out further to accommodate the number of units, which would reduce the setback to the neighborhood and reduce green space. The height is pushed up against the freeway as far from the residential neighborhood as possible. **Mr. Roseth** added that to respond to the Planning Commission, parking spaces had to be added. As much as possible they were added underground, but some surface parking was added, which is a loss of green space. The proof of parking required is further loss of green space.

Mayor Martin opened the meeting to public comment.

Mr. Mark Kaspszak, 3628 Rustic Place, stated that he is a police officer for 21 years. This development will double the number of people in the Rustic Place neighborhood. That will change the essential character of the neighborhood. The call load to the Sheriff's Department, Fire Department and ambulance service will increase. Criminals who look at this parking lot will see it as the perfect location to break into cars. It is hidden from the main thoroughfares with one access. With the freeway so close, criminals can be very far within minutes. Although traffic studies done, there are approximately 20 children in the neighborhood from elementary to middle school age. The only place for children to play is in yards or in the street because there is no access to a public park. Another safety issue is the proximity of the corner of the mixed use building to the corner of County Road E and Rice Street. It is only a matter of time before there is a car crash into whatever business is in the building at that corner.

Ms. Janice Bunde, 3681 Rustic Place, stated that she represents the Rustic Place, Rice Street, Cardigan Junction neighborhood. There have been emails, letters, phone calls and conversations expressing concerns about the Elevage proposal, which will impact each resident in the neighborhood individually as well as the neighborhood as a whole. In trying to look at the proposal from the City's perspective, residents identified three assets: 1) removing what has been identified as a blighted area; 2) increasing the tax base; and 3) bringing in younger residents who might be attracted to Shoreview and become

homeowners. If this project goes through, will it preserve core values of Shoreview to preserve neighborhoods? Will it preserve and protect the natural environment? Will removal of oak trees spread oak wilt to neighboring yards? Will Shoreview be able to maintain good relations with neighboring communities when area residents resent the traffic tie ups this development will cause? This is an established neighborhood with a history, with tree-lined streets where residents take pride in their homes. The neighborhood has low crime and is family friendly. City Council and Planning Commission members have requested changes in height, density and parking. Yet these requests have either been dismissed or changes were made that have not resolved the issues. Safety, security, privacy and quality of life will be forever changed. Lowering the height of the mixed use building and removing the townhomes are needed to resolve parking and density issues. These changes would lessen the impact to the neighborhood and reduce the issues of security and privacy. The apartment building and 14 townhomes may be what is needed by the City, but not on a 4.2 acre site at Rice Street and County Road E. Lakeview Terrace is 45% vacant with a walk score of 31 out of 100. This site has no access to walks or biking trails, lakes or parks, and there are no guarantees for future access. Five years from now looking back, what will have been gained compared to what the neighborhood lost? The Mayor published the State of the City address in the March/April 2016 issue of the ShoreViews newsletter, announcing Elevage's comprehensive proposal. Has it been a waste of time for the neighborhood to express its' concerns? Neighbors are dismayed to have the plan published before a decision was made by the Council. This rezoning will assure that other neighborhoods in Shoreview will experience the same frustration as the Rustic Place neighborhood with this development. The decision will not affect Councilmembers, but it will for all residents of the Rustic Place/Rice Street/Cardigan Junction neighborhood. The Council is urged to vote no.

Mr. Tom Johnson, 3527 Rice Street, stated that his property will take the brunt of impact as it is immediately adjacent to the north. His biggest concern is loss of privacy. There will be 70 households with a direct view into his home and yard. There will also be a 76-space well lit parking lot and walking path on the property line. The function of his front yard is to screen his home from Rice Street. He and his family have had complete privacy in the back yard. The view from his family room will be a view of the building and parking lot and the view from the mixed use building will be into his home. The primary screening is shown with 13 spruce trees. In consulting with a forester at the University of Minnesota and a landscape architect, he learned that after 18 months the trees will be 10 feet tall. In 10 years' time, screening will be approximately 50%. In 20 years, screening will be effective. There needs to be a solution. The solution suggested to him is to double the number of trees, double the size tree planted, and plant trees in staggered rows so the crowns overlap. That would be effective almost immediately. Another alternative would be a 6-foot berm with a 6-foot fence on top. A home next to a five-story building was unforeseen with the current fencing regulations. He would ask the Council not to approve this project until there is a mutually agreeable plan for screening. What is proposed now is ineffective and unacceptable.

Mr. Curtis Leavitt, 3636 Rustic Place, stated that he taught surveying at St. Paul College and has operated his own surveying company. He stated that the shadow effect will not only be in December but also in November, January and part of February. His calculations show that the shadow will be approximately two hours at sunrise. That is 100 days, 200 hours of lost sun.

Mayor Martin responded that the City has no control over the shadow cast.

Mr. David Gordh, 3646 Rustic Place, stated that the plan does not work because it is not known what kind of residents will be renting these places. There is no outdoor activity for younger people. Seniors in the suburbs, even if moving to an apartment, continue to be active outside. Seniors will not use the swimming pool. There is no gardening area or activities provided for seniors. There is no place for children to play on the site and no access to parks. Children will play in the parking lot because it is the only flat area. He would like to see a new concept based on a commercial development.

Mr. Josh Wing, 171 Bridge Street, Chair of the Economic Development Commission, stated that he is excited to see a blighted property get the attention it deserves. The proposed development will benefit the community and surrounding businesses by bringing new, modern residential opportunities to Shoreview. It will be a recruiting tool for the City because people want to live and work in the same communities. It is finally about a continuing investment in modern infrastructure and a modern, attractive gateway to Shoreview.

Ms. Dody LeGault, 3546 Rustic Place, stated that the development should not be a win for the City and a loss for the neighborhood. For years, the City ignored Code violations on this site. There was a dirt driveway off Rice Street that was illegal. There was a metal storage pole barn where semi trucks would park. There was a broken glass greenhouse. For years, an RV was parked on the street overnight. These conditions led to the blight of the strip mall. Residents have considered long and hard and could find no asset to this proposal for the neighborhood. She strongly urged Councilmembers to vote no to this proposal.

Mr. Jonathan Weinhausen, Vice President, St. Paul Area Chamber of Commerce, 401 Robert Street, stated that since the Planning Commission action, he has had the opportunity to speak to many people involved with designing and building the new Rice Street bridge who are very excited to see this type of project. He urged the Council to consider the broader implications and opportunities that this development will bring to the future. The Chamber of Commerce supports this project and he urged the Council to support it.

Ms. Becky Hoschouer, 3562 Rice Street, stated that a restaurant was planned but now seems to be lost. Elvage has stated there would be a 51-seat restaurant, but now it will be larger. She would like to know how large the restaurant will be. She is concerned about the restaurant roof patio and sound issues. She agreed with the resident who suggested a berm with a 6-foot privacy fence as screening for the residential properties to the north. It would not require much upkeep. A lot of money is being invested, and it would not take much more to put in mature trees.

Dr. Elsa Keeler, 209 St. Marie Street, stated that public health is what is done as a society to promote a healthy life. The greatest impact to health comes from where people live, where they work and where they learn. Conditions of these social determinants of health impact life expectancy and quality of life far more than what happens in the doctor's office. One in four people over age 20 in Shoreview are obese and 8% of those have been diagnosed with an obesity related illness. Close to 23% of residents over age 65 have one or more disabilities. City government has a significant role in aligning a healthy vision with an economic vision. She commended the City for recent developments that have been built within short distances of parks, but this one is completely landlocked. Health officials recommend a walkable destination within a quarter mile that is greater than one-half acre, especially for high density

residential housing. She highly encouraged the Council to consider possible ways to link the neighborhood to public places that would be a safe walk or bike opportunity.

Council Discussion

Mayor Martin stated that many important points have been expressed. It needs to be understood that the City has no authority to deny a project based on the shadow cast issue. SummerHouse is only five feet shorter than the proposed development. It is almost the same distance from the residential homes to the north. While it is only a three-story building, it has a peaked roof at a 47-foot height. One former Planning Commissioner lives near the building and although not present, would say there have not been any major negative impacts. While the parking lot security is a concern for this proposal, tenants will be observant of what is happening. She sees the most important issue as the setback of the apartment building from the residential neighborhood to the north. That setback has been increased considerably. The neighborhood should feel they have had a profound impact on this development because of the changes that have been made. Although this may not be the project the neighborhood would like to see, it has changed because of the attendance and comment from neighbors. One concern is screening for the Johnson property. She would like assurances from the developer that there will be adequate screening, and possibly a berm with a fence. The trees proposed or more trees will not take care of that problem. She would like to make a condition of approval for more screening for Mr. Johnson's property. **Mr. Mergens** stated that Elevage is happy to work with staff and Mr. Johnson to figure out the number of trees needed and their size. A fence or berm can also be considered. If the decision is a fence, Elevage will build it, but he believes trees are a better option.

Councilmember Quigley stated that the site is difficult with full development to the north, water to the east, commercial to the south as well as a major freeway and railroad tracks. The City has focused on the site for a long time. It has been in a Policy Development Area of the Comprehensive Plan for a long time. The City's Corridor Study included this site. Information has been provided on the renter market for that area. The plan has been reviewed by staff, the Planning Commission, the Economic Development Commission, and the Economic Development Authority. Alterations have been made in response to all the input on this development. The City has no option to make sure the project is profitable for the developer, but the City does want to see the project be successful and add value on the whole. The neighborhood has been fortunate with its enclave status, but Rice Street is going to be busier and busier. This site is a gateway for Shoreview. The shadow effect is a hard issue and is significant, but there will be development on the site. With what the ordinances allow, there could be a much less desired development than this one.

Councilmember Johnson stated that it is clear the residents in this neighborhood have passion. It is evident in the organization of the neighborhood and is a key factor that makes community. She looks at this application in comparison to what could go on the site. That blighted gateway corner has been sitting for an extended period of time. Her concern is about Rice Street pedestrians' safety. Much of that issue has been put on the City, but Ramsey County has as much an obligation as the City. If a neighborhood needs a park and a trail, Ramsey County has an obligation as well as the City. This parcel has been on the EDA Work Plan for several years. This will change the neighborhood. The developer has taken into consideration many of the requests by residents and the City. It will not be perfect, but she would prefer to see housing rather than what is allowed by current zoning. The millennial generation that this development will attract often prefers not to drive. They are more interested in

transit than owning a car. **Mr. Mergens** stated that contact has been made with some of the shared car services to explore that option.

Mayor Martin responded to Dr. Keeler's health concerns and noted that the City would not have approved any development in the City if there were a stipulation for trails. Trails came later. This project could have direct access to Lake Owasso and to Snail Lake Park once the Rice Street bridge is reconstructed. Unfortunately, when County Road E was improved, the County did not include a trail to the Twin Lakes in Vadnais Heights, which is only one-half mile away. The City will be talking to the County about such a trail. The City cannot deny this application because there are no trail connections. There are no hidden plans on the part of the City. Everything the City is going to buy or pay for in the next 50 years is laid out in the Capital Improvement Plan. There is no intent to disrupt the neighborhood. Absolutely, this development will have an impact on the neighborhood, but the Council represents the owner of this property as well as the neighborhood. A great deal of money has been invested in purchase of this property. The properties that were purchased on the west have been long-time Code issues. It is a benefit that those properties are being incorporated into this plan. There are no facts that support this being a negative impact on individual lives. She related her own personal experience living next to Lake Shore Oaks, of 987 apartments. She was not happy to see that development, but traffic has not been a problem. Her neighbors are not a problem, and she has lived in her home 47 years.

Mayor Martin responded to Mr. Gord's concerns about the types of renters who will choose this place to live. The City has been told that this building will attract young professionals. There will be few families and few seniors. Those who want a play area will not rent here. It is a different concept but one the market study has indicated is a type of housing that is needed. She asked for further information on the restaurant. **Mr. Mergens** responded that there is 6800 square feet of retail. Tentatively 4200 square feet is allocated for a restaurant, approximately 80 seats. There is no rooftop patio.

In regard to the concern about on-street parking, Mayor Martin noted that no one is allowed to park on City streets from 2:00 a.m. to 6:00 a.m. That protects many people. If there is a problem with parking, the City will stripe the street for parking on one side only. The Development Agreement stipulates that there will be no parking on County Road E or Rustic Place during construction.

Councilmember Springhorn stated this project is supported by staff, by the Economic Development Commission, the Planning Commission and the St. Paul Area Chamber of Commerce. Yet dozens of residents have pleaded for this project to be denied. He sees the impact to St. Marie and further north as minimal. In regard to police calls, he contacted the Sheriff's Department to ask about sports bar calls in the past year. There have been 12 calls to Mad Jack's and 7 to Sac's Sports Bar, both in Vadnais Heights. They are bigger than what would probably be located on this site. There have been two calls from Meister's in Shoreview, which is closer in size to what would be brought here. There have been 13 calls to the current strip mall. That is not a bad tradeoff. The closest residences will be the most impacted, and he cannot say there won't be a significant adverse impact. He came prepared to not support the proposal and during the meeting has changed his mind back and forth. There is a risk that to require four stories may mean that Elevage would sell to someone else. He does not want to take that chance. He would like to see more and better screening. He will support the project in an effort to be part of making it better as it moves toward the Final Plat.

Councilmember Wickstrom stated she shares other Councilmembers' feelings on the impact of this development to the neighborhood. In response to residents' concerns about tenants looking down into the residential neighborhood, it is her experience that tenants do not spend a lot of time on the balconies. She noted that 29 trees are shown where Mr. Johnson referred to 13. She would like to see a mix of deciduous trees and conifers. Deciduous trees will have a bigger canopy and provide more privacy during the summer months. In her townhouse development, coniferous trees were planted 25 years ago and have become overgrown and need to be replaced. She expressed her support for the project with a condition that further work be done on landscaping, including a fence. The problem with a trail is that it has to wait until the Rice Street bridge is done. The County is putting a trail from County Road J to County Road B, but the work is being done in segments. Until the County comes to this segment, residents will have to deal with the trail situation. Councilmember Wickstrom expressed her appreciation for using cisterns on the flat roof to catch water. She asked if there is any opportunity to use pervious pavement. **Mr. Mergens** stated that pervious pavement has been considered. However, because of the large amount of pervious area already, 37%, it would not make sense to address the special issues that go with using pervious pavement.

Councilmember Wickstrom asked about using solar panels, whether the building will be non-smoking, whether there is a sprinkling system and if the underground parking garage will have space for bike storage. **Mr. Mergens** stated that solar panels have not been considered, but he would be willing to explore grant options and whether using them would be a possibility. He expects the building will be smoke-free. Residents will expect that hallways and common areas will be smoke-free, and he does not want to have to clean apartments with smoke when tenants move out. The building will have a sprinkling system as required by Code. Bike storage is an important amenity. It will be important to provide underground bike storage.

Councilmember Wickstrom stated that one of the reasons Shoreview does not have a lot of transit options is because there is not a lot of high density development. This project could help improve transit to Shoreview because this development has the potential to increase the number of riders from Shoreview. As people become older, transit becomes more important for the future. In looking at other cities' requirements, she believes the City's parking ratio requirements are out of line. Before looking at the proposal, she did her own calculation for parking and arrived at close to the same number proposed. Target and Rainbow were required to provide huge parking areas that were never filled. If there is too much parking, there is more impervious surface and less green space. While this will be a big impact to the neighborhood, she also prefers to see residential than commercial development. If a commercial development were built, it would not be what is now there. It would be very intense and could be far worse.

MOTION: by Councilmember Quigley, seconded by Councilmember Wickstrom to adopt Resolution 16-15 approving the Comprehensive Plan Amendment and Ordinance #941 approving the Rezoning and the Preliminary Plat and Planned Unit Development - Development Stage for Elevage Development Group, LLC/Elevage Shoreview Holdings, LLC (EDG) to redevelop the following properties: 157 County Road E, 185 County Road E, 3521 Rice Street and 3500 Rustic Place with a mixed use residential and commercial development, and including the added condition No. 11 under Planned Unit Development - Development Stage.

Comprehensive Plan Amendment

1. The amendment changes the land use designation from C, Commercial/O, Office and RL, Low Density Residential to MU, Mixed Use.
2. Review and approval of the amendment by the Metropolitan Council.
3. The amendment will not be effective until the City grants approval of the Final Plat and PUD - Final Stage requests and the development agreements are executed.

Rezoning (Councilmember Quigley stated this is Revised - please check this is the revised language.)

1. This approval rezones the property from C2, General Commercial and R1, Detached Residential to PUD, Planned Unit Development.
2. The underlying zoning district for this PUD is: Lot 1 – R2, Attached Residential, Lot 2- R3, Multi-Dwelling Residential for the apartment units and C1, Retail Service for the commercial
3. Rezoning is not effective until approvals are received for the Final Plat, PUD - Final Stage and development agreements executed.

Preliminary Plat

1. A public use dedication fee shall be submitted as required by ordinance prior to release of the final plat by the City.
2. The final plat shall include drainage and utility easements along the property lines. Drainage and utility easements along the roadways shall be 10' wide and along the side lot lines these easements shall be 5' wide. Other easements shall be dedicated as required by the Public Works Director.
3. Private agreements shall be secured between the parcels in the subdivision regarding the maintenance of shared facilities. Said agreements shall be submitted to the City Attorney for review and approval prior to the City's release of the Final Plat.
4. Comments received from the State of Minnesota and Ramsey County shall be addressed in the Final Plat submittal.
5. The Final Plat shall be submitted to the City for approval with the Final Stage PUD application.

Planned Unit Development – Development Stage

1. This approval permits the redevelopment of 157 County Road E, 185 County Road E, 3521 Rice Street and 3500 Rustic Place with a mixed use development consisting of a 5-story building that has 134 market rate apartment units and 6,800 square feet of commercial space on the first floor. Fourteen townhomes are also planned.
2. Access to the site shall be provided via the driveways off County Road E and Rustic Place as indicated in the approved plans. Access from Rustic Place may be modified provided the requirements of the Fire Department are met.
3. The items identified in the City Engineer's memo dated January 20th shall be addressed in the Final PUD submittal.
4. The items identified by the Fire Marshall in his letter dated January 11th shall be addressed in the Final PUD submittal.
5. Approval of the final grading, drainage, utility, and erosion control plans by the Public Works Director is required, prior to submittal to the City of applications for Final Plat and PUD – Final Stage. Final plans shall identify site construction limits and the treatment of work (i.e. driveways, parking areas, grading, etc.) at the periphery of these construction limits.
6. The developer shall secure a permit from the Ramsey Washington Metro Watershed District prior to commencing any grading on the property.

7. The proposed apartment housing structure shall be of a 5-story design as depicted on the plans submitted with this application. Said building shall include the architectural enhancements and high-quality building materials as identified. The structure shall not exceed the 55-foot height as identified in this report and on the submitted plans.
8. A financial contribution to the City's Forestry fund is required since the number of required tree replacements cannot be accommodated on the development site.
9. The applicant is required to enter into a Site Development Agreement and Erosion Control Agreement with the City. Said agreements shall be executed prior to the issuance of any permits for this project. The Development Agreement shall address:
 - a. Construction management and nuisances that may occur during the construction process, including parking for contractors. No parking is permitted on Rustic Place, County Road E and Rice Street.
 - b. Best Management Practices for Water Quality improvement
 - c. Landscape maintenance
 - d. Maintenance of stormwater management facilities
10. This approval shall expire after two months if the Planned Unit Development - Final Stage application has not been submitted for City review and approval, as per Section 203.060 (C)(6).
11. Develop a plan for additional landscape screening.

This approval is based on the following findings:

1. The proposed Comprehensive Plan Amendment supports the policies stated in the Comprehensive Plan related to land use, housing and redevelopment.
2. The proposed redevelopment plan carries out the recommendations as set forth in the Housing Action Plan and expands life-cycle and housing choice in the City.
3. The proposed redevelopment plan is consistent with the recommendations as set forth in the Highway Corridors Transition Study.
4. The land use change and rezoning for a mixed use development that is primarily residential will not adversely impact the planned land use of the surrounding property.
5. The proposal will not impede or otherwise conflict with the planned use of adjoining property.

Discussion:

Mayor Martin stated that she knows the neighborhood will be disappointed with this decision. It is not that the City has not listened to residents but disagrees with the assessment of impact. There is going to be change. The neighborhood knows this. There will be disruption during construction. The Council knows that. One positive is that this building could serve as a sound barrier for Rustic Place to the noise from I-694.

ROLL CALL: Ayes: Johnson, Quigley, Springhorn, Wickstrom, Martin
 Nays: None

ADJOURNMENT

MOTION: by Councilmember Johnson, seconded by Councilmember Quigley to adjourn the meeting at 10:10 p.m.

VOTE: Ayes - 5 Nays - 0

Mayor Martin declared the meeting adjourned.

THESE MINUTES APPROVED BY COUNCIL ON THE 21ST DAY OF MARCH 2016.

Tom Simonson
Acting City Manager